

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 363 – SB 653**

February 20, 2017

**SUMMARY OF BILL:** Authorizes handgun carry permit (HGCP) holders to carry a handgun into a posted building or prohibited place operated by a state or local governmental entity, unless there are metal detectors and armed security guards stationed at all public entrances. Mandates that any such handguns be carried in a manner that causes the handgun to be concealed from ordinary observation.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures – Exceeds \$100,000/One-Time/Permissive  
Exceeds \$1,000,000/Recurring/Permissive**

**Other Fiscal Impact – Passage of this bill could put the Departments of Education and Children's Services out of compliance with federal regulations. The amount and timing of federal funding that could be jeopardized is unknown. Annual federal funding for both departments totals approximately \$436,179,800. Other federal funding to other state agencies could be impacted as well.**

**To the extent state agencies elect to purchase additional metal detectors or employ additional armed security guards, the one-time increase in state expenditures is reasonably estimated to exceed \$100,000 and the recurring increase in state expenditures is reasonably estimated to exceed \$1,000,000.**

**Assumptions:**

- Persons possessing handgun carry permits would be authorized to carry a handgun in all state and local government buildings, unless metal detectors are installed and armed guards are employed.
- All state and local government facilities do not currently have metal detectors nor armed security at all public entrances. If these state or local entities were to install metal detectors and employ armed guards, there would be an increase in state and local expenditures; however, the provisions of the bill do not require state or local governments to install additional metal detectors or hire armed security personnel.

- Based on information provided by the Department of Children’s Services (DCS), the presence of firearms could jeopardize the plan for establishing and maintaining standards for foster homes and child care institutions and could subject the state to the loss of federal Title IV funds. DCS reports that the Department receives approximately \$135,627,100 in annual Title IV federal funding.
- The Department of Education (DOE) reports that provisions of the bill could put the state out of compliance with federal guidelines regarding guns on school campuses resulting in the loss of certain federal funding.
- DOE receives approximately \$300,552,691 in annual federal funding. The precise amount of federal funding jeopardized would be dependent on federal ruling and cannot be reasonably determined.
- If DCS is found to be out of compliance with federal guidelines for receiving Title IV funding, or DOE is found to be out of compliance with federal guidelines regarding guns on school campuses, or any other state department is found out of compliance with federal law, and federal funding is subsequently withheld from such departments, the impacted departments may elect to install metal detectors and employ armed security guards to ensure continuance of receipt of such federal funding. To the extent this occurs, the one-time increase in state expenditures for acquiring the metal detectors in state facilities is reasonably estimated to exceed \$100,000, and the recurring increase in state expenditures for employing armed security guards in state facilities is reasonably estimated to exceed \$1,000,000.
- To the extent local government entities elect to purchase additional metal detectors and employ armed security guards as a direct result of this bill, the permissive one-time increase in local expenditures for metal detectors is reasonably estimated to exceed \$100,000 statewide; and the permissive recurring increase in local expenditures for employing armed security guards is reasonably estimated to exceed \$1,000,000 statewide.
- The provisions of the bill are not expected to significantly impact handgun carry permit applications or revenue.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/dwl